2003/04
Annual Service Plan Report

National Library of Canada Cataloguing in Publication Data
British Columbia. Forest Practices Board.
Annual Service Plan Report. — 2002/03/2003/04 —

Annual.
Continues: British Columbia. Forest Practices Board. Annual Report
ISSN 1230-9071.
ISSN 1708-1610 = Annual service plan report — British Columbia. Forest Practices Board.

1. British Columbia. Forest Practices Board — Periodicals. 2. Forest Policy — British Columbia — Periodicals. 3. Forest Management — British Columbia — Periodicals. I. Title. II. Title: Forest Practices Board Annual Service Plan Report.

SD14.B7B74 354.5'5288'0971105 C2003-960157-9

For more information on the British Columbia
Forest Practices Board

visit our Website at
http://www.fpb.gov.bc.ca/

Published by the Forest Practices Board

Table of Contents

Accountability Statement 5

Message from the Chair 7

Year-at-a-Glance Highlights 9

Board Role and Services 10

Performance Reporting 15

Report on Resources 21

104-06166/

Accountability Statement

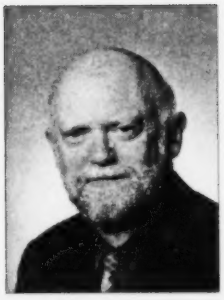
The 2003/04 Forest Practices Board Annual Service Plan Report was prepared under my direction and in accordance with the *Budget Transparency and Accountability Act*. This report compares the actual results to the expected results identified in the Board's 2003/04 Service Plan. I am accountable for the Board's results and the basis on which they have been reported.

Bruce Fraser, Ph.D.
Forest Practices Board Chair

May 28, 2004

BRITISH COLUMBIA

Forest Practices Board



The Forest Practices Board has adopted four strategic directions to govern our response to the context of changing forest practices regulation in British Columbia.

1. Promote stewardship of the full range of forest values that reflect the broad public interest in forest lands.
2. Contribute to the development of objectives, management strategies and forest practices that are reflected in measurable performance standards.
3. Provide independent assessments of the effectiveness of forest practices based on a continuing commitment to field work.
4. Contribute to an active public dialogue to enhance understanding of the changing legislation and forest management practices that affect forest values.

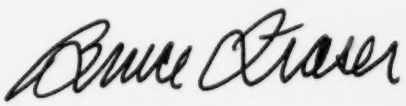
The Forest Practices Board, acting as a steward of the public interest, has an important role to play in the implementation of the new *Forest and Range Practices Act* (FRPA). Under the previous Forest Practices Code, the regulatory regime mandated specific practices and the Board evaluated degrees of compliance with the legal prescriptions. Under the new legislation, the regulatory regime identifies values and objectives to be reached, but allows professional discretion in the formulation of plans and selection of practices to serve the values and reach the objectives.

In this new environment, the Board will reduce the emphasis on assessing compliance with prescriptive rules and focus on the effectiveness of forest practices in achieving results consistent with the values articulated and the objectives set by government. This evolution to "results-based" regulation of forest practices requires the Board to adapt its audit, complaint investigation and special investigation methods to ensure that we are assessing the degree to which desired results are being achieved by the methods being practiced on the ground. While we must adapt our investigative methods, we must also remain committed to the principles of independence, transparency and administrative fairness that are so critical to our public responsibilities.

In 2003/04, the Board made significant progress in anticipating and addressing these challenges, as noted in this report. As we move into 2004/05, we expect these initiatives to continue as the issues develop and their importance grows. In the coming year the Board will be placing great emphasis on working with all parties on the implementation of the new FRPA regime. In the process we will also maintain our commitments to our role as the steward of the public interest by providing the highest quality of information based on our

established standards of practice, our emphasis on independent field work, and our support for the continuous improvement of forest practices. British Columbia has the opportunity to lead the world in forest management and the Board would like to make sure that it is contributing to this goal.

Sincerely,



Bruce Fraser, Ph.D.
Forest Practices Board Chair

Year-at-a-Glance Highlights

- In September 2003, the Forest Practices Board participated in the United Nations World Forestry Congress in Quebec City. The Congress brought together more than 4,000 participants from 140 countries around the world. The Board had a display in the exhibition hall, where hundreds of people from around the world came to find out about BC's independent watchdog organization and in particular, the Board's field-based forest practices auditing program. Many people commended the unique nature of the Board and were interested in the possibility of setting up a similar organization in their own countries.
- Pilot testing of indicators to audit the effectiveness of forest practices was a first step in preparing for the new results-based approach to forest management introduced by the *Forest and Range Practices Act*.
- A special investigation of the free-growing requirements under the Forest Practices Code provided the Board with the first opportunity to assess the result-based approach to forest management.
- An audit of Pope and Talbot Ltd. in the West Kootenays was the first successful coordination of a Board audit with a third-party certification audit. The Board determined it could use some of the certifier's work in its audit, reducing time and cost for everyone involved.
- Although the Board's mandate remains largely unchanged in the *Forest and Range Practices Act*, a review of FRPA and its regulations led to minor legislative amendments to clarify who the Board may audit or investigate and how it reports the results of its work.
- The Board issued a special bulletin to draw attention to the new due diligence defence under FRPA and its implications for how forestry professionals and practitioners will be held accountable for their work.
- Two cases investigated by the Board drew further attention to the issue of reliance on professionals to prevent environmental damage from forestry operations. These cases led to guidance being provided by professional associations to assist their members in carrying out their responsibilities appropriately.
- A case before the Supreme Court of Canada enabled the Board to present its views on the principles that ought to be applied when courts determine compensation for environmental damage.
- The Board issued a special bulletin on the role of a public watchdog in an era of certification. The bulletin addressed the role of the Forest Practices Board, given the current trend toward independent certification of forestry activities. It was adapted from a paper presented at the United Nations World Forestry Congress in September 2003, in Quebec City.

Board Role and Services

Board Overview

The Forest Practices Board was created under the *Forest Practices Code of British Columbia Act* (the Code) as an independent watchdog for the public interest in B.C.'s public forests. The board's mandate is to: audit tenure holders and government ministries for compliance with, and enforcement of, the Code; deal with complaints from the public regarding forest planning and practices, and government enforcement, of the Code; carry out special investigations and issue special reports as the Board sees appropriate; request administrative reviews of approved forest development plans; participate on behalf of the public in reviews of penalty determinations; and participate in appeals to the Forest Appeals Commission. The Board's mandate continues under the new *Forest and Range Practices Act*.

Legislation ensures Board independence from licensees and the government. While the Board provides reports to the Minister of Forests, the Minister of Water, Land and Air Protection, the Minister of Sustainable Resource Management, and the Minister of Energy and Mines, its reports and findings are not provided to government for revision or comment in advance of public release. When the Board deals with an audit of or complaint about a government operation, that operation is entitled to the same level of information about the Board's preliminary findings as any other auditee or complaint subject.

The Board also has the authority of the *Inquiry Act* to compel the giving of evidence in the course of its investigations, and it has the authority to audit and investigate government's forest practices and enforcement actions.

The Board's funding is determined directly by Treasury Board.

Board Vision, Mission and Values

Vision

Forests that are soundly managed to sustain the full range of forest values and forest resources for British Columbians.

Mission

The Board serves the public interest as the independent watchdog for sound forest practices in British Columbia.

Values

The Board:

- acts on behalf of the public's interest, not those of any single group;
- is straightforward in its approach;
- emphasizes solutions over assigning blame;
- behaves in a non-adversarial, balanced manner;
- treats all people with respect, fairness and sensitivity;
- performs in a measured, unbiased and non-partisan manner;
- carries out its mandate with integrity and efficiency;
- provides clear and concise reports to the public;
- bases actions and decisions on knowledge, experience and common sense; and
- is accessible and accountable.

Board Operating Context

Engagement in the Process of Change

While the Board contributes to the public system of democratic checks and balances by acting as an independent auditor of the effectiveness of forest practices, it must also be an active contributor in times of major change. As the province implements the new legislation, the Board intends to work cooperatively with government land and resource agencies, industry, organized interest groups and members of the public to test the new regime. Constructive revision of the new system, evolution of forest practices science and development of the underlying professional relationships will all benefit from an experimental climate and an intense commitment to respectful debate.

Standards, Indicators and Methods

No area of system development is more important than improving the measurability of results. The objectives set by government, upon which forest stewardship plans (FSP) are to be based, need to be explicit enough to enable the writing of measurable results and strategies. The results and strategies specified by forest licensees in FSPs need to be measurable so that the effectiveness of operational practices can be assessed against explicit criteria. Measurability is the key to the ability of the Forest Practices Board, the compliance and enforcement agencies of government, and certification auditors to determine what is working and what needs to be improved. If forestry professionals are to have a sound basis for attributing on the ground results to practices performed in forestry operations, we will need a body of "generally accepted indicators" of performance and "standard methods of measurement of the status of indicators." The Board is committed to working with all parties to develop, test and refine this essential part of forest science.

Responding to Strategic Influences

Amongst many, there are four particular strategic influences on the work of the Board that are occupying our attention. The first of these is the development of private sector forest certification schemes and their increasing adoption by the British Columbia forest industry. Most of the largest forest companies are employing a combination of certification schemes and developing both internal management systems and external auditing commitments demanded by the competitive marketplace. As these proprietary systems mature, the Forest Practices Board is examining the potential for reliance on their results to reduce our work, while maintaining the independence, rigour and public transparency of our audit and investigation reports.

The second major influence is the emergence of large scale ENGO-Industry partnerships that are developing protocols and agreements that can influence the allocation and management of Crown land. Arrangements made by these partnerships, often in the context of higher level land use planning, will influence the objectives being addressed by forest licensees in their long term forest sustainability planning and short term operational planning. Convergence of values expressed and objectives set by government with those set by these "non-state, market-driven mechanisms" is not guaranteed, but is a matter of considerable public importance.

The third major influence arises from the re-allocation of tenures being undertaken by government within the Forest Revitalization Plan. The Board is anticipating an influx of new, smaller entrants, including First Nations, into the forest industry over the next few years. Many of these new entrants will be less experienced with the regulatory regime and will be less able to afford the in-house professional teams necessary to respond to the full requirements of the *Forest and Range Practices Act* and regulations or the requirements of advanced certification schemes. The Board intends to work with new entrants in a constructive manner, so that the results of our audits and investigations are used to build capacity in a collaborative manner.

The fourth influence is the growing attention being paid to "ecosystem based management" and the need to examine forest practices against objectives that are comprehensive in nature — having to do with maintaining the environmental services of whole complex systems — and that range beyond the influence of practices on individual resource values.

Attention to Issues of Major Public Interest

While a great deal of attention must be paid to the changing regulatory environment, there are also several major forest issues of high public interest in the province. The foremost of these is the extensive impact of the mountain pine beetle, not only on current timber supplies, but also on the long term structure of the forest. The Board is actively involved in assessing the forest practices of licensees operating in beetle infested regions, particularly to examine the influence of beetle management and salvage practices on the other forest values. In the long run, along with land and resource agencies, industry and communities, the Board is concerned with the efforts to design a future forest that is more diverse and resilient.

A second major public concern is the risk of catastrophic wildfire to communities embedded in the forest. The Board's current interest in this issue is the effectiveness of land and forest productivity rehabilitation after fire control activities have been carried out. We also have an interest in the long term question of how well our forest practices ameliorate the conditions that place resource values and communities at risk.

Of great long term interest is the quality and quantity of domestic water supplies. Forest practices in domestic watersheds are destined to become an increasingly important issue. A great deal of attention is paid in Board audits and investigations to the health of streams, attention that tends to be focused on fish habitat conservation but is likely to be matched in the future by an overall societal concern for water supply.

A fourth area of focus is the management of populations and habitats for threatened species, identified under the federal *Species at Risk Act* or listed by the province. The Board is currently engaged, for instance, in examining forest practices related to marbled murrelets and mountain caribou and maintains a strong interest in the application of government's old growth order and its application to the establishment of spatially defined areas of old growth that can contribute to habitat conservation. While these high profile cases of individual species tend to receive major public interest, the Board is also considering the larger issues of maintaining biodiversity in all stages of forest succession and at all scales.

Board Core Business Areas

Forest practices audits, investigations and reports

Provide the public with credible information about the state of forest practices, validate sound practices, and recommend improvements.

Complaint investigations, administrative reviews and appeals

Provide the public with a readily accessible means to have their complaints and concerns regarding forest practices considered and addressed.

Executive and support services

Provide strategic and operational directions and the infrastructure necessary to support the Board's programs.

Update on *New Era* Commitments

The Board attempts, through its work and recommendations, to further the government's *New Era* commitments. Being an independent agency charged with the monitoring of sound forest management in B.C., it was not assigned specific commitments by the Premier.

Performance Reporting

Report on Results

Goal 1

Public confidence in accurate and impartial reporting of forest practices.

Level of public satisfaction with the audit, investigation and appeal performance, based on measures of public feedback. Reports are relevant and address issues of concern to the public. A survey, canvassing a segment of the public that is informed on forestry issues, is conducted every third year. The latest survey was conducted in 2002/03. The Board considers the results to remain relatively static between surveys. The results were received too late to be reported for 2002/03, and are used as results for 2003/04.

Performance Measures	2003/04 Target	2003/04 Actual	Variance
Public believes Board reports contribute to sound forest management in BC.	To be determined through a public survey.	51%	N/A
Public believes Board reports are accurate and impartial.	To be determined through a public survey.	67%	N/A

Core Business Area

Forest practices audits, investigations and reports.

Objective 1

A redesigned Board role in the context of the *Forest and Range Practices Act*, greater reliance on professionals and industry self-regulation.

Performance Measures and Results

Rather than issuing a one-time report explaining the role of the Board under the new *Forest and Range Practices Act*, and in effort to continuously inform the public on its role as the public watchdog for sound forest practices, the Board issued a series of brochures outlining its role in administrative appeals, audits, complaints investigations, and special investigations/reports.

The Board issued an audit report that incorporated independent certification audit work done for ISO and SFI certifications. A benefit of this approach was the opportunity to examine and report on the licensee's management controls related to the protection of key environmental values.

Performance Measures	2003/04 Target	2003/04 Actual	Variance
A report on the redesigned role of the Board.	1	1	N/A
A report on audit procedures that recognizes and complements industry forest practices audits.	1	1	N/A

Objective 2

Independent audits of industry and government's performance to reinforce the application of sound forest practices throughout the Province.

Performance Measures and Results

The Board had planned to undertake four compliance audits, three area-based audits, and one audit of Nisga'a lands. All were undertaken and the Board also added two additional compliance audits to the mix. At the end of the fiscal year, field work for ten audits was completed, but due to the complexity of the audit findings, only three audit reports had been published. Of the remaining seven projects, three were intended to address issues of effectiveness for the first time. The Board has been cautious in the preparation of these new reports, engaging in discussions with licensees. All project reports are scheduled for publication early in fiscal 2004/05.

Performance Measure	2003/04 Target	2003/04 Actual	Variance
Number of quality-assured audit projects completed and published.	8	3	-5

Objective 3

A timely reporting process that fairly and objectively represents the general public interest.

Performance Measures and Results

The Board had planned to undertake four compliance audits, three area-based audits, and one audit of Nisga'a lands. All were undertaken and the Board also added two additional compliance audits to the mix. At the end of the fiscal year, field work for ten audits was completed, but due to the complexity of the audit findings, only three audit reports had been published. Of the remaining seven projects, three were intended to address issues of effectiveness for the first time. The Board has been cautious in the preparation of these new reports, engaging in discussions with licensees. All project reports are scheduled for publication early in fiscal 2004/05.

Staff resources availability in the investigations section prevented the achievement of the expected target for timeliness in completing reports on complaint investigations. The Board remains committed to meeting, or exceeding, this target in the future, as it did in 2002/03.

Performance Measures	2003/04 Target	2003/04 Actual	Variance
Quantitative reporting on numbers of requests for administrative appeals, investigations, response times, etc.	To be reported in the Board's Annual Report.	Reported in the Board's 2003 Annual Report.	N/A
Published audit, investigation, and appeal manuals that inform the public about the new way the Board conducts its business.	3	3	N/A
Timeliness: Percentage of audits conducted and published within the fiscal year.	100%	30%	-70%
Timeliness: Report on an investigation.	80% will be completed in 7 months.	50% were completed within 7 months.	-30%
Timeliness: Percentage of decisions made by the Board within 45 days on forest development plan reviews requested by the public.	100%	100%	N/A

Goal 2

A fair and effective means to deal with public concerns about forest practices.

Level of public satisfaction with the investigation and appeal performance, based on measures of public feedback. A survey, canvassing a segment of the public that is informed on forestry issues, is conducted every third year. The latest survey was conducted in 2002/03. The Board considers the results to remain relatively static between surveys. The results were received too late to be reported for 2002/03, and are used as results for 2003/04.

Performance Measures	2003/04 Target	2003/04 Actual	Variance
Level of satisfaction with the investigation performance, based on measures of public feedback.	To be determined through a public survey.	52%	N/A
Level of public satisfaction with the appeal performance, based on measures of public feedback.	To be determined through a public survey.	47%	N/A

Core Business Area

Complaint investigations, administrative reviews and appeals.

Objective 1

An efficient and respectful investigation process that responds to public concerns about forest practices, validates sound forest practices, and recommends improvements where needed.

Performance Measures and Results

A survey, canvassing a segment of the public that is informed on forestry issues, is conducted every third year. The latest survey was conducted in 2002/03. The Board considers the results to remain relatively static between surveys. The results were received too late to be reported for 2002/03, and are used as results for 2003/04.

Performance Measure	2003/04 Target	2003/04 Actual	Variance
Percentage of participants who believe that complaint investigations contributed to the resolution of issues.	50%	38%	-12%

Objective 2

A review and appeal program that is responsive to concerns raised by members of the public and that fosters the implementation of the Code that is consistent with its intents.

Performance Measures and Results

A survey, canvassing a segment of the public that is informed on forestry issues, is conducted every third year. The latest survey was conducted in 2002/03. The Board considers the results to remain relatively static between surveys. The results were received too late to be reported for 2002/03, and are used as results for 2003/04.

Performance Measure	2003/04 Target	2003/04 Actual	Variance
Percentage of review and appeal participants who believe that the Board's actions in reviewing and appealing decisions further the public interest.	65%	60%	-5%

Goal 3

Forest practices that are widely recognized as sound and continually improving.

Level of public satisfaction with the audit, investigation and appeal performance, based on measures of public feedback. Reports are relevant and address issues of concern to the public. A survey, canvassing a segment of the public that is informed on forestry issues, is conducted every third year. The latest survey was conducted in 2002/03. The Board considers the results to remain relatively static between surveys. The results were received too late to be reported for 2002/03, and are used as results for 2003/04.

The list is becoming too long to incorporate in the Annual Report. The Board is in the process of posting responses to all its recommendations on its website.

Performance Measure	2003/04 Target	2003/04 Actual	Variance
Degree to which Board work promotes sustainable and continually improving forest practices, as evidenced, for example, by the implementation of Board recommendations. The implementation of the recommendations is not under the Board's control. The Board reports on the responses to all of its recommendations in its Annual Report.	To be reported in the Annual Report.	See the note above.	N/A

Core Business Areas

Forest practices audits, investigations and reports; complaint investigations, administrative reviews and appeals.

Objective 1

Assessment of the efficacy of the Forest Practices Code, and the new *Forest and Range Practices Act*, in achieving desired results on the ground.

Performance Measures and Results

Performance Measure	2003/04 Target	2003/04 Actual	Variance
Result-oriented and area-based reports on topics of public concerns.	3	3	N/A

Objective 2

World-class expertise in auditing and investigating forest practices.

Performance Measures and Results

Performance Measures	2003/04 Target	2003/04 Actual	Variance
Number of contributions at forums.	6	11	5
Contributions to the field of forest practices auditing and investigating. The Board's work can be used to implement certain aspects of the Board's role in other jurisdictions. Such use is not under the Board's control, but may contribute to improvements in forest practices outside B.C., and recognizes the province's leadership and expertise in sound forest management monitoring.	To be determined.	Unknown.	N/A
Board reports referenced by others as credible sources of information about forest practices.	To be determined. Requires reviewing how many times the Board's reports are referenced as credible sources in other publications.	6	N/A

Deregulation

The Board is not responsible for developing, maintaining, and enhancing legislation. Its recommendations may trigger changes to legislation, but the responsibility rests with enforcing ministries.

Report on Resources

Resource Summary

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses ($000)					
Total	**4,344**	**0**	**4,344**	**4,226**	**118**
Full-time Equivalents (FTEs)					
Total	**26**	**0**	**26**	**24**	**2**
Ministry Capital Expenditures (CRF) ($000)					
Total	**100**	**0**	**100**	**31**	**69**